**Stem Company Overview**

Stem provides clean energy solutions and services designed to maximize the economic, environmental, and resiliency value of energy assets and portfolios. Stem’s leading AI-driven enterprise software platform, Athena®, enables organizations to deploy and unlock value from clean energy assets at scale. Powerful applications, including AlsoEnergy’s PowerTrack, simplify and optimize asset management and connect an ecosystem of owners, developers, assets, and markets. Stem also offers integrated partner solutions to help improve returns across energy projects, including storage, solar, and EV fleet charging.

**Stem Sustainability Overview**

Our solutions directly support the global commitment to decarbonization and the transition to a low-carbon economy. Through our operating practices, we aim effectively manage the use of natural resources, identify and mitigate environmental risks that may affect our business and communities, increase resiliency, and reduce our own environmental impact.
Stem Rationale for Issuance

The Green Finance Framework aligns Stem’s ESG and sustainability priorities with its funding and financial strategy. Stem has selected a number of eligible areas which are fundamental to its business model and deliver the most positive environmental impacts.

The Framework gives Stem the flexibility to issue financial instruments to support our commitment to achieve a broad range of sustainability outcomes. In addition, Stem green financings allow an additional group of stakeholders to partner with the company in its efforts to advance its environmental benefits.

Stem Green Finance Framework

Stem’s Green Finance Framework will guide future issuances of green bonds, convertible bonds, and term loans. Our Framework was developed in alignment with the Green Bond Principles (2021) as published by the International Capital Markets Association (“ICMA”) and the Green Loan Principles (2021) published by the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA). Should Stem issue a green convertible bond, the Green Finance Framework is only valid for the instrument until the time of conversion from the bond to common stock. It uses the four core components of the principles and key recommendations:

• Use of Proceeds
• Process for Project Evaluation and Selection
• Management of Proceeds
• Reporting
• External Review

This framework covers green bond, convertible bonds, and term loan offerings issued by Stem, Inc. and its subsidiaries.
Use of Proceeds

An amount equivalent to the net proceeds raised from the sale of any Green Financing Instrument aligned with this Framework will be utilized to finance and/or refinance, in whole or in part, one or more Eligible Projects across the Eligibility Criteria that follows. Stem intends to allocate the net proceeds from any Green Finance Instrument toward Eligible Projects made between the 24 months prior to or 24 months after any such issuance. Eligible Projects may include research, development, acquisitions, capital expenditures, and operational expenses in initiatives aligned with the Eligibility Criteria.

Eligibility Criteria means any of the following:

<table>
<thead>
<tr>
<th>Green Eligible Projects</th>
<th>Criteria</th>
<th>UN SDG Alignment</th>
</tr>
</thead>
</table>
| Renewable energy and Energy efficiency | Investments and/or expenditures that are designed to create a more resilient, stable and clean energy system, including software and solutions for:  
• Creating, maintaining, and expanding energy optimization and virtual power plant solutions  
• Improving and expanding the operation and efficiency of the power grid and energy storage solutions  
• Measuring and optimizing energy use and related offerings that enhance the economics and help accelerate the adoption of renewable energy solutions to support displacement of conventional energy generation assets and accelerate the clean energy transition  
• Management and optimization of distributed energy resources including analytics and diagnostic services to enhance the efficiency and profitability of renewable energy projects |  7 AFFORDABLE AND REINVESTMENT  13 CLIMATE ACTION |
| Eco-efficient products, production technologies and processes | Investments and/or expenditures to develop, improve and optimize software and/or AI-powered software capabilities and solutions to energy-related systems and applications, including but not limited to:  
• Smart charging for electric passenger cars as well as medium- and heavy-duty trucks  
• Electrification of buildings and grid services to allow users to match consumption with clean energy generation |  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  13 CLIMATE ACTION |
| Pollution prevention and control | Investments and/or expenditures related to improving Stem’s materials use efficiency and reducing waste throughout our operations, including:  
• Initiatives to develop a standardized measurement of and processes to improve the environmental impact of the Company’s offerings, including engagement with the Company’s supply chain and original equipment manufacturing partners  
• Initiatives for landfill diversion and implementing solutions to increase reuse and recycling programs  
• Initiatives to recycle and refurbish equipment, particularly electronic equipment used by Stem’s customers |  12 RESPONSIBLE CONSUMPTION AND PRODUCTION  13 CLIMATE ACTION |
Process for Project Evaluation and Selection

Stem’s ESG Committee, led by the chair of the Nominating, Governance and Sustainability committee of the Board and comprised of certain of the Company’s executive officers and including Strategy, IR, and Legal teams, will work closely with the Finance team and senior management to assess and select Eligible Projects and ensure alignment with Stem’s Green Financing Framework. Stem will prioritize allocations toward activities viewed as most impactful in driving decarbonization and a clean energy transition.

Stem has established policies to monitor and mitigate environmental and social risks in its operations, and the ESG Committee will ensure that Eligible Projects align with all of Stem's broader ESG policies and priorities.

Management of Proceeds

The ESG Committee will track the amount of net proceeds from the issuance of any Green Financing Instrument allocated toward Eligible Projects. Pending allocation, proceeds will be managed in-line with Stem’s standard liquidity practices, which may include general corporate purposes, investment in cash or other liquid securities, or repayment of outstanding indebtedness. In the case of divestment or if a project no longer meets the eligibility criteria listed above, Stem will use reasonable efforts to reallocate the funds to other Eligible Projects during the term of the relevant instrument.

Reporting

Annually until full allocation of the net proceeds from any Green Financing Instrument, Stem expects to publish information on our website that includes information on allocations and, where feasible, associated impacts.

The Green Financing Report is expected to include, subject to confidentiality and competitive considerations, information on (i) amounts allocated to Eligible Green Projects, by category, (ii) the amount of net proceeds pending allocation, and, where feasible, (iii) case studies with additional information on highlighted projects, and (iv) impact reporting as described below. The report will be accompanied by management attestation regarding the amount of net proceeds from any green financing that have been allocated toward Eligible Projects.

Impact reporting will focus on quantitative or qualitative assessments of sustainability impacts of Stem’s Green Eligible Projects, such as case study examples that demonstrate beneficial environmental outcomes of Stem software solutions and estimated annual GHG missions avoided or reduced (absolute and/or intensity).

External Review

Upon full allocation of an amount equal to the net proceeds of each financing, Stem will obtain an assurance report reviewing and confirming the allocation of the offering to eligible expenditures from a qualified independent external reviewer.
Disclaimer

This Stem Green Financing Framework (the “Framework”) does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of Stem, Inc. or of any of its subsidiaries (collectively referred to as “Stem”), or the solicitation of an offer to subscribe for or purchase securities of Stem, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase any securities of Stem should be made solely on the basis of the information to be contained in the relevant prospectus or offering memorandum and any final terms or pricing supplement (if applicable) produced in connection with the offering of such securities. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of Stem and the nature of the securities before taking any investment decision with respect to securities of Stem.

This Framework contains “forward-looking statements” within the meaning of the federal securities laws, which include any statements that are not historical facts. Such statements often contain words such as “expect,” “may,” “can,” “believe,” “predict,” “plan,” “potential,” “projected,” “projections,” “forecast,” “estimate,” “intend,” “anticipate,” “ambition,” “goal,” “target,” “think,” “should,” “could,” “would,” “will,” “hope,” “see,” “likely,” and other similar words. Forward-looking statements address matters that are, to varying degrees, uncertain, such as statements about the financing or refinancing of Eligible Projects, functions of Stem’s ESG Committee, the allocation of amounts equal to the net proceeds from issuances of green bonds, convertible bonds, and term loans subject to this Framework, reporting and publication by Stem regarding allocations made pursuant to this Framework and Stem’s plan to obtain an assurance report from a qualified independent external reviewer.

Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to general economic, geopolitical and business conditions in key regions of the world, including inflationary pressures, general economic slowdown or a recession, increasing interest rates, and changes in monetary policy; the ongoing effects of the COVID-19 pandemic on our workforce, operations, financial results and cash flows; the effects of the ongoing conflict in Ukraine; our ability to continue to grow and to manage our growth effectively; our ability to attract and retain qualified employees and key personnel; risks relating to the development and performance of our energy storage systems and software-enabled services; the risk that our business, financial condition and results of operations may be adversely affected by other political, economic, business and competitive factors; and other risks and uncertainties set forth in our most recent Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC.

If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. In addition, historical, current, and forward-looking environmental, social, and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Statements in this Framework are made as of the date hereof, and Stem disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events, or otherwise.
About Stem, Inc.

**Stem (NYSE: STEM) is a global leader in AI-driven clean energy solutions and services.**

Stem (NYSE: STEM) provides clean energy solutions and services that maximize the economic, environmental, and resiliency value of energy assets and portfolios. Stem’s leading AI-driven enterprise software platform, Athena® enables organizations to deploy and unlock value from clean energy assets at scale. Powerful applications, including AlsoEnergy’s PowerTrack, simplify and optimize asset management and connect an ecosystem of owners, developers, assets, and markets. Stem also offers integrated partner solutions that improve returns across energy projects, including storage, solar, and EV fleet charging.

For more information, visit www.stem.com.